

Who must file and pay

Every corporation with \$1,000 or more in tax due after credits must file and pay estimated tax.

Failure to make estimated payments may result in penalty for underpayment of estimated tax. See IA 2220.

Installments must be made electronically when total corporate tax liability for the tax year prior to the tax year just completed exceeds \$80,000.

Payment options include Modernized e-File (MeF), ePay (direct debit), ACH Credit, or payment by check. Visit the Department's website (tax.iowa.gov) for ePayment information.

Federal Refunds and Taxes Paid (lines 2 and 5):

The deduction for federal taxes paid is allowed only to the extent the payment was made during the current tax year, for a tax year beginning before January 1, 2021. The add-back for federal refunds received during the tax year is only required to the extent the refund was for federal taxes deducted on an Iowa return for a tax year beginning prior to January 1, 2021.

Note: This form is only for corporations. Financial institutions subject to the franchise tax should use IA 1120F ES.

Payments of estimated tax

Dates for paying estimated tax in equal installments are:

- The last day of the fourth month of the calendar or fiscal year.
- The last day of the sixth month of the calendar or fiscal year.
- The last day of the ninth month of the calendar or fiscal year.
- The last day of the 12th month of the calendar or fiscal year.

Note: If a period or due date ends on a weekend, federal holiday, or legal holiday as defined in Iowa Code section 4.1(34), substitute the next regular business day.

Overpayment credit for Iowa corporation income tax return

If you had an overpayment on your prior-period income tax return and elected to apply it as a credit to your estimated income tax for the current period, the amount will be automatically posted from your prior-period Iowa income tax return to your estimated tax account.

Note: If you elect to have your overpayment

refunded, the refund will be processed automatically; it is not necessary to file a claim for refund.

Use the Estimated Tax Payment Schedule to record and apply your credit

If the credit equals or exceeds the estimated tax liability for the first installment, the balance of the estimated tax can be paid in full or in equal installments beginning with installment two. Do not send installment forms if your current-period estimate is paid in full, either by overpayment from your prior-period income tax return or by estimated payments already submitted.

How to complete worksheet and installments

1. Fill out the worksheet on the second page of these instructions. If the tax after credits on line 21 is less than \$1,000, you do not have to file and pay estimated tax.
2. Enter the amount from line 24 into column B of the Estimated Tax Payment Schedule. Enter any applicable overpayment in column C. Subtract column C from the amount in column B and enter the difference in column D. Also enter the amount from column D on the "Payment Amount" line on the IA 1120ES.
3. Enter the corporation's name, address, and taxpayer identification number in the space provided on the IA 1120ES.
4. Detach the installment.
5. For each remaining installment, complete steps 2-4.

Mail to: Iowa Department of Revenue
PO Box 10466
Des Moines Iowa 50306-0466

Make checks payable to "Iowa Department of Revenue".

How to amend your estimated tax

You may find after having filed and paid one or more installments that your estimated Iowa income tax has substantially changed. If this happens:

1. Re-compute the estimated tax payments remaining in your tax year.
2. Update the Estimated Tax Payment Schedule for the quarters remaining.
3. Follow steps 3-5 from above using the revised figures for the remaining quarters.

1. Net income from federal return	1. \$	_____
2. 50% of federal tax refund (limited). See instructions.	2. \$	_____
3. Other additions	3. \$	_____
4. Net income after additions. Add lines 1 through 3.	4. \$	_____
5. 50% of federal tax paid or accrued (limited). See instructions.	5. \$	_____
6. Other reductions	6. \$	_____
7. Total reductions. Add lines 5 and 6.	7. \$	_____
8. Income before net operating loss. Subtract line 7 from line 4.	8. \$	_____
9. Nonbusiness income.....	9. \$	_____
10. Income subject to apportionment. Subtract line 9 from line 8	10. \$	_____
11. Business Activity Ratio.....	11.	_____ %
12. Apportioned income. Multiply line 10 by line 11.....	12. \$	_____
13. Nonbusiness income allocable to Iowa	13. \$	_____
14. Income before net operating loss: Add lines 12 and 13.	14. \$	_____
15. Net operating loss deduction.....	15. \$	_____
16. Income subject to tax. Subtract line 15 from line 14	16. \$	_____
17. Computed tax. Use Tax Rates below	17. \$	_____
18. Estimated alternative minimum tax. Tax years beginning		
before January 1, 2021 only. All others enter 0		
18.	\$	_____
19. Total tax. Add lines 17 and 18.....	19. \$	_____
20. Total credits	20. \$	_____
21. Tax after credits. Subtract line 20 from line 19.	21. \$	_____
22. Payments previously made for current period estimate tax	22. \$	_____
23. Unpaid balance. Subtract line 22 from line 21.	23. \$	_____
24. Computation of installment. If first installment is to be filed on:		
• last day of the 4th month, enter 1/4 of line 23, or	\$	_____
• last day of the 6th month, enter 1/3 of line 23, or	\$	_____
• last day of the 9th month, enter 1/2 of line 23, or	\$	_____
• last day of the 12th month, enter all of line 23	\$	_____

Tax Rates

If income shown on line 16 is:

Under \$25,000:

- For tax years beginning before January 1, 2021, multiply line 16 by 6%.
- For tax years beginning on or after January 1, 2021, multiply line 16 by 5.5%.

\$25,000 to \$100,000:

- For tax years beginning before January 1, 2021, multiply line 16 by 8% and subtract \$500.
- For tax years beginning on or after January 1, 2021, multiply line 16 by 5.5%.

\$100,001 to \$250,000:

- For tax years beginning before January 1, 2021, multiply line 16 by 10% and subtract \$2,500.
- For tax years beginning on or after January 1, 2021, multiply line 16 by 9% and subtract \$3,500.

Over \$250,000:

- For tax years beginning before January 1, 2021, multiply line 16 by 12% and subtract \$7,500.
- For tax years beginning on or after January 1, 2021, multiply line 16 by 9.8% and subtract \$5,500.

Estimated Tax Payment Schedule

A Date	B Computed installment (line 24)	C Prior period overpayment	D Amount to be paid (column B less column C)
1.			
2.			
3.			
4.			